



ANNUAL REPORT



2019
EDITION

FUNDING

In providing services to our clients in the 2018-2019 year, Care acknowledges the assistance of the following supporters:

- Access Canberra
- ACT Government Community Services Directorate
- ACT Government Environment and Planning Directorate
- ACT Law Society
- ActewAGL
- Commonwealth Government Department of Social Services
- Good Shepherd Microfinance
- Justice and Community Safety Directorate
- Relationships Australia (Canberra Region)
- Service One
- Snow Foundation
- St Vincent de Paul



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OUR VALUES

Equality - We believe that all people should have access to financial skills development, information and support.

Inclusion - We value diversity and work to ensure that we reach people from across the community.

Empowerment - We empower people to better understand and take control of their financial situation.

Respect - We are respectful and work compassionately with people to understand their experience and provide support.

Change - We focus on achieving change for individuals and systems.

Culture - We value our people, foster a positive team culture and work with integrity across all that we do.

OUR PRIORITIES

Support - We support people who are experiencing financial hardship or impacted by exploitative practices.

Educate - We educate the community to understand their rights and options to make informed financial decisions.

Advocate - We advocate to change systems that contribute to financial hardship and exploitative practices.

Innovate - We innovate to achieve outcomes by focusing on our people and working in partnership.

Evaluate - We evaluate to ensure services meet individual and community needs





INAUGURAL PATRON

Elizabeth Grant
*AM Hon LLD Monash, PhC
MPS*

BOARD MEMBERS



Andrew Freer
BEC LLB

CHAIR



Michael Miller
BCom, CFPA

SECRETARY



Ian McAuley
*LBE (Adelaide), Dip Bus (Adelaide),
MPA (Harvard)*

TREASURER - RESIGNED APRIL 2019



Elizabeth Grant
AM Hon LLD Monash, PhC MPS

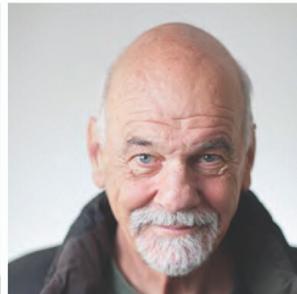
RESIGNED MAY 2019



Malise Arnstein
*PhD Clinical Psychologist
in Private Practice*



Liz Howarth
BA ANU, B Community Education UC
RESIGNED AUGUST 2018



Dr Nick Seddon
*LLB (MELB) B Phil (Oxon)
PhD (ANU) PhD (ANU)*



Christian Mikula
BA, LLB (ANU)



Duncan Buchanan
*BPsych(Hons) PhD GAICD
MAHRI*

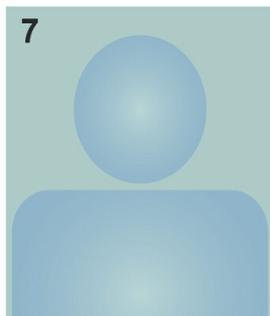
JOINED JUNE 2019



Dr Philippa Prothero
*BPsych(Hons) PhD GAICD
MAHRI*

JOINED NOVEMBER 2018

STAFF



1. Carmel Franklin - CEO

2. Leasa Mayes - Financial Counselling Team Leader

3. Rachael Milfull - Financial Counsellor

4. Lyndall Millburn - Financial Counsellor

5. Wendy Sandeman - Financial Counsellor

6. Dianne Moon - Financial Counsellor

7. Jennifer Barnes - Financial Counsellor

8. Eileen Newmarch - Financial Counsellor

9. Rosie Fisk - Financial Counsellor

10. Nicole Flaws - Financial Counsellor

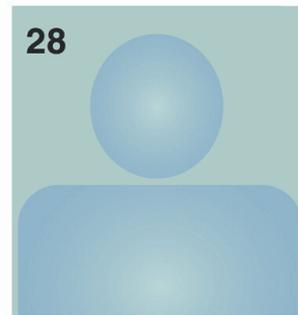
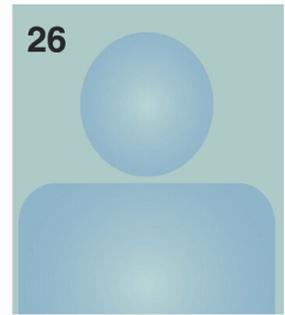
11. Liisa Wallace - Policy Officer

12. Deb Shroot - Financial Counsellor

13. Vicki Wood - Community Education Coordinator

14. Aoife Berenger - Community Education Officer

15. Tina Dowse - Community Education Officer



- 17. Natasha Gunther - Microfinance Coordinator
- 18. Tracey Zol - Microfinance Caseworker
- 19. Bob McNab - Finance Officer
- 20. Kate Luke - Business Manager
- 21. Susan Trudinger - Administrative Support Officer
- 22. Kerrie Williams - Intake Officer
- 23. Antoinette McCartney - Receptionist
- 24. Diane Hodge - Receptionist
- 25. Agata Pukiewicz - Principal Solicitor
- 26. Angela Lauman - Principal Solicitor
- 27. Elizabeth Samra - Principal Solicitor
- 28. Adam Thompson - Solicitor
- 29. Carly Nelson - Paralegal
- 30. Gayathri Hatharasinghe - Paralegal

VOLUNTEERS, SECONDEES & CONSULTANTS

AUDITOR

David Perceval

FINANCIAL COUNSELLING SUPERVISORS

Bruce Munro

Elizabeth Yuille

Kandie Allen-Kelly

Nazrin Lucas

CONSULTANTS

Carol Flynn

John Morgan (Datascap)

MIT Services

Xtreme Productivity

VOLUNTEERS

Andrew McIntyre

Andrew Tan

Carol Flynn

Doris Li

Fleur Taylor Lumb

Jack Simpson

Joy Wang

Kate McLaren

Leslie Macdonald

Meg Wootten

Olivia McKay

Subeta Vimalarajah

Tim Cross

Tom Alder

SECONDEES

Aasish Ponna

Desiree Thistlewaite

Henry Chang

Jonathon Savery

Kate McLaren

Kerin Callard

Laura John

Matthew Traeger

Prashant.Kelshiker

Rachael Ingleton



FROM THE CHAIR: ANDREW FREER

There are some core aspects of the operations at CARE which endure. We believe that all people should have access to financial skills development, information and support. We empower people to better understand and take control of their financial situation. We support people who are experiencing financial hardship or who are being impacted by exploitative practices. We educate the community to understand their rights and options to make informed financial decisions.

These values are reflected in CARE's mission - to support, educate and advocate to achieve financial fairness for all.

This is my twelfth year as a member of the CARE Board and my sixth year as the Chair. The CARE Board remains focussed, efficient and well-functioning. We are fortunate to have a good mix of board members with significant experience/tenure. We recognise the value having a diverse mix of skills represented on our Board.

Special thanks must go out to Elizabeth Grant for her unwavering loyalty and years of service to our organisation. This year has seen Elizabeth step down from the Board and accept an appointment as CARE's Patron. There could be few as well placed and deserving of such an honour. Our sincere and personal thanks to you Elizabeth, for all you have done.

Further, our specific thanks also go out to our long-term Treasurer, Ian McAuley. Ian has always been able to identify those aspects of the financial operations of the organisation that need attention or monitoring. This has enabled us to maintain the efficiencies needed, efficiencies that are part and parcel of running a community service organisation.

This year has also seen renewal and the attraction of new members to the CARE Board. We are very pleased to have welcomed Philippa Prothero (joined November 2018) and Duncan Buchanan (joined June 2019) to the Board. They will help ensure appropriate oversight and continued support for the work of the organisation. We trust that they are finding much satisfaction in working for such a worthwhile cause.

FROM THE CHAIR: ANDREW FREER

The Board complements the very dedicated staff members who are always willing and able to work hard and become invested in the goal of assisting clients work through their financial challenges. I again recognise the tireless commitment of Carmel, our CEO, our team leaders and their team members that remain at the heart of the success of CARE.

CARE's achievements continue. In addition to our signature financial counselling program, CARE also provides an expanding and well utilised no interest loan scheme through our various microfinance programs.

It continues to be a pleasure to fulfil the role be the Chairperson of an organisation that acts with integrity, professionalism and respect.

Andrew Freer
Chairperson
CARE INC



FROM THE CEO: CARMEL FRANKLIN

Another busy and productive year! As always this is due to the ongoing hard work and commitment of Care staff who are focused on ensuring our clients experience is positive and practical.

Following the completion of our strategic planning process in early 2018 we undertook a long overdue external review of the organisation. The review was conducted by Mia Swanson with a focus on testing the quality of service provision to clients and the support available to staff. It was really pleasing, though unsurprising that the review confirmed the high regard in which Care is held within the community and the positive attitude of staff to working within the organisation. Recommendations from the review focused on the need for:

- better infrastructure systems to support staff
- strategies to increase stakeholder feedback
- further refinement of service delivery intake processes
- funding opportunities outside of government.

Our focus since that time has been on implementing the recommendations, including employing new IT consultants to work on a new client relationship management system (CRM). Inevitably this process has been challenging and fraught with hurdles. I thank staff for their patience and resilience as we continue to work toward more robust systems.

We have also looked at our internal processes with a view to improving access to our financial counselling and legal services. We are aware there are many people in our local community experiencing financial stress who are not aware of the services that we offer.

Our partnership with ActewAGL to delivery financial capability information with a focus on energy issues has been very successful and we are delighted the ActewAGL have agreed to continue to support this work for the next two years.

We continue to be actively involved in policy work in line with our vision of Financial fairness for all. There is a list of submissions and consultations included in the Policy Report. In particular, we were pleased with the recommendations of the Financial Services Royal Commission and hope that poor practices are curbed as a result of these recommendations. We look forward to working with Government on Commissioner Hayne's suggestion that there is need for predictable and stable funding for financial counselling.

FROM THE CEO: CARMEL FRANKLIN

Retaining quality staff has always been a strength at Care. Sometimes though we do have to farewell valuable staff members. We were disappointed to lose our wonderful Principal Solicitor, Elizabeth Samra early in 2019. Liz worked at our Consumer Law Centre for four years and in that time was an excellent asset, providing valuable legal advice and casework, undertaking important policy work and building the capacity of the CLC. Our loss is Legal Aid's gain and I am sure that Liz will do a fabulous job managing the older persons legal advice service (OPALS).

The sadness at losing Liz was softened by the return of Agata Pukiewicz, previous Principal Solicitor at the CLC from 2009-2011. It is wonderful to have Agata back with us, albeit only two days per week. It says volumes about the service that after working for other large organisations, Agata has chosen to return to her roots in the community legal sector.

After 10 years as a financial counsellor, the time finally arrived for Eileen Newmarch to retire. Eileen is a terrific financial counsellor, very knowledgeable and skilled. We are thrilled that she has agreed to continue to do some locum work when needed.

We also welcomed several new staff members - Di Moon, Jennifer Banes and Tina Dowse. It is always such a relief to be able to attract quality staff to the organisation.

Care's core business is and always will be to support, educate and advocate for financial fairness. We do this through direct client work, education activities, provision of microfinance products and input into policies that impact our client group. I am proud of the continuing hard work, passion and commitment of our staff. They are truly wonderful to work with.

I am as always enormously grateful to Care's Board for their ongoing support of the organisation. A special thanks to Elizabeth Grant for her many years of dedicated service. It is an honour that she has agreed to become Care's Patron.

Carmel Franklin
CEO
CARE INC

FINANCIAL COUNSELLING



This year the financial counselling team focused on improving the initial appointment process. This came about because all appointments were booked a month in advance, but we still had a significant non-attendance rate for those appointments.

People contact us because they want to address financial difficulties, however not everyone is ready to take action right away. Many people have several attempts at getting help before they attend their first appointment. We wanted to provide a service where clients don't need to wait too long to be seen, and if they didn't attend the first session, they can make another time. We started a daytime drop in for simple issues for clients who needed one or two appointments. This was successful but it didn't address the long wait for casework appointments. After much planning, we trialed assessment sessions. We invited 6-8 clients to attend an initial interview during the same time period, and we have 3-4 financial counsellors on duty to see (individually) whoever attends. We see clients in a timelier manner, and if a client doesn't attend, they can contact us for the next available session. It's more flexible and responsive to client needs. We have 50-75% attendance rate so we overbook the sessions to take this into account. Our clients and financial counsellors have provided positive feedback so we plan to continue.

Di Moon was welcomed into the team after completing her placement. She is currently working client referred through our St Vincent de Paul partnership. Jen Barnes completed her Diploma and commenced her placement, moving out of the Finance role at Care. Fiona Laverty has returned to complete her financial counselling placement. Nicole Flaws took a break from casework and has returned to 2 days per week. Eileen Newmarch finally retired, after several attempts over many years. She has agreed to do locum work for us when staff are on leave, if she can fit it into her busy retirement schedule.

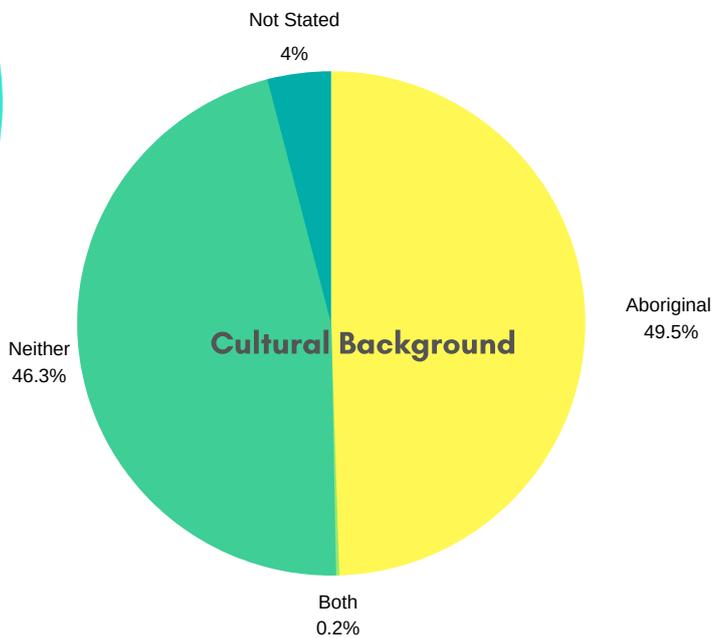
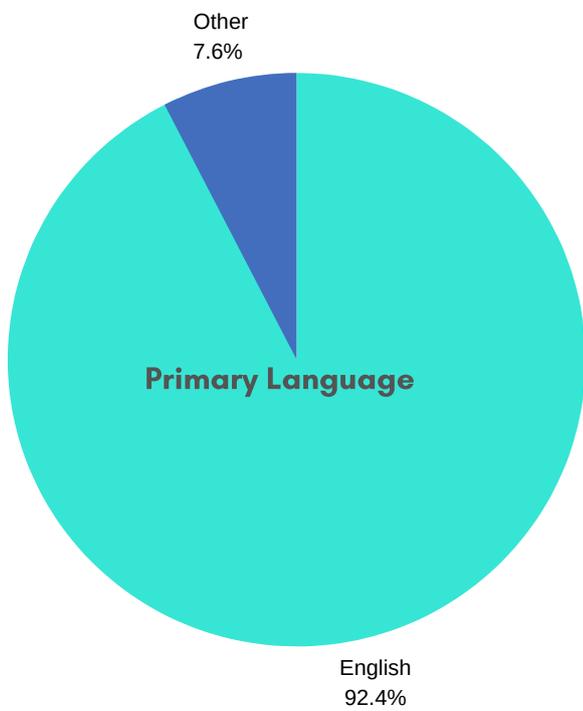
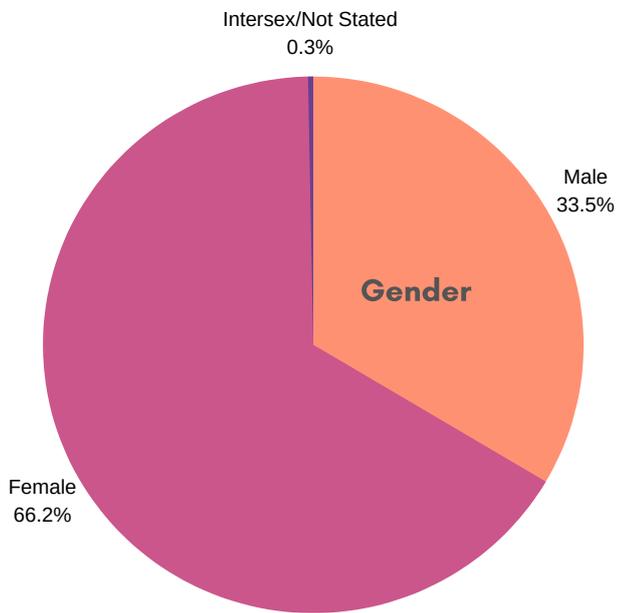
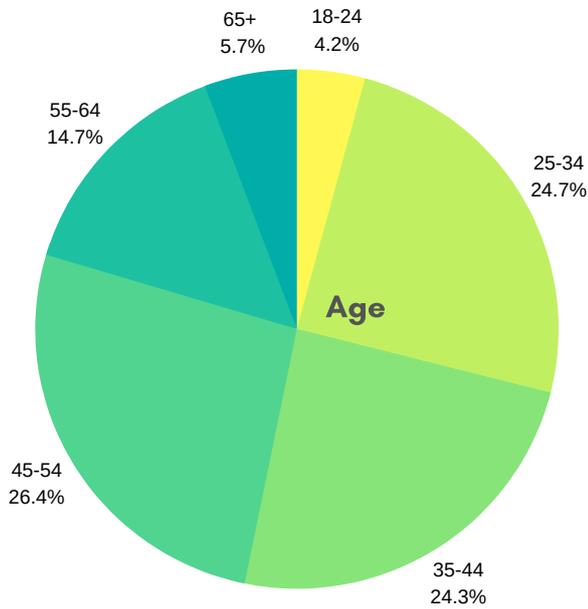
Outreach services have been more limited, mostly due to staffing and less demand. We are still attending Gungahlin, Karralika and Kippax. We hope to reconnect with Lanyon later in the year. Parking in the city centre is often a barrier for clients, both for proximity to our office and parking fees.

The financial counselling team have been more involved in community education this year. The community education team and the Consumer Law Centre have invited financial counsellors to several joint ventures where the expertise of a financial counsellor has been valuable to the particular groups, including ACT Revenue staff, Canberra Hospital drug and alcohol program clients and Work Development Order participants.

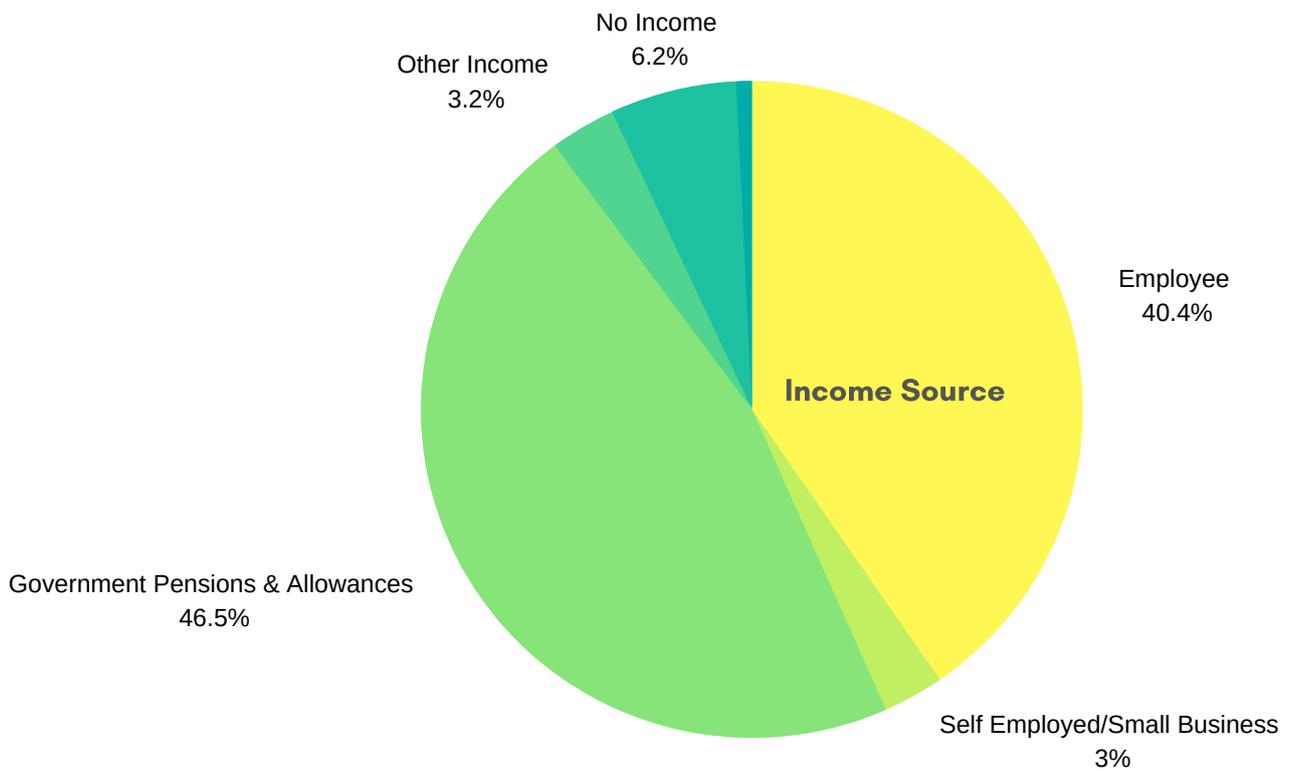
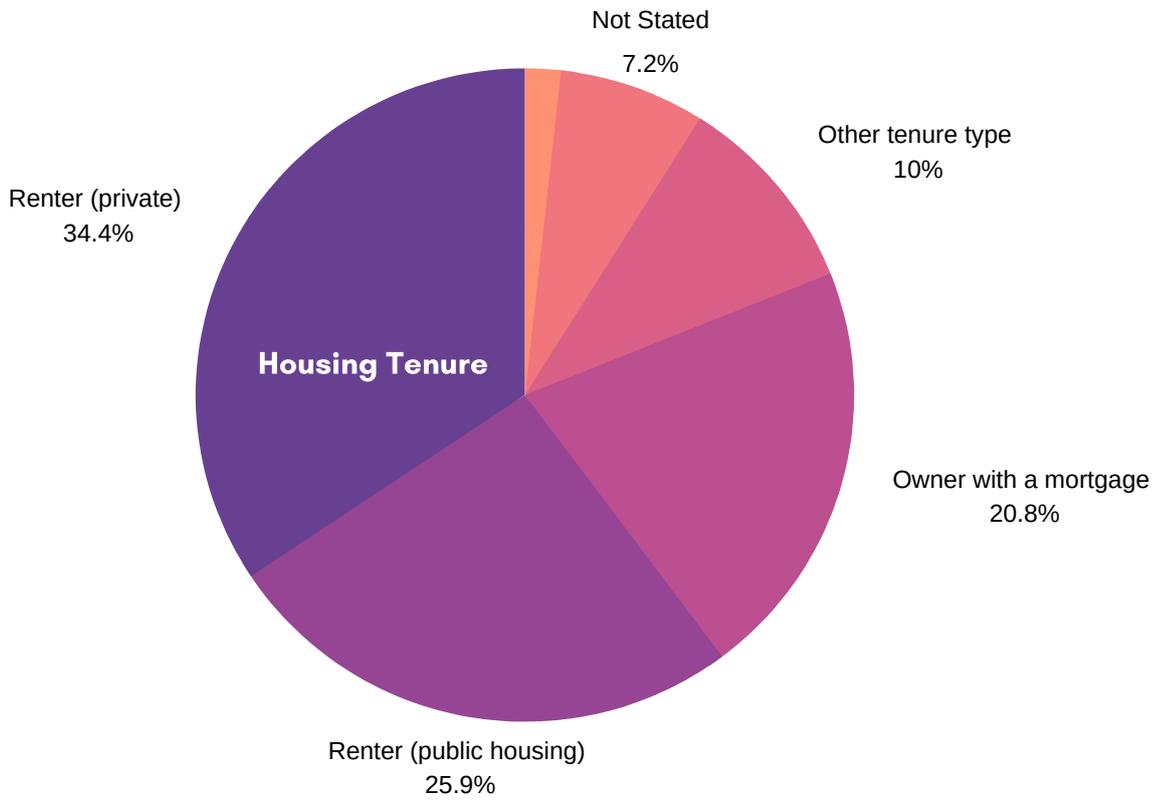
Our volunteer accountant has been booked solidly and has had many referrals for multiple tax years – between 2 -17 years of returns per client. Her assistance with business returns for clients in financial difficulty has been invaluable, saving clients several thousand dollars in fees. She also assists with profit and loss statements for Housing ACT tenants. All this on half a day per week! Changing client record management systems is always painful and this one was no different. Getting used to a new system and deciphering functions and language has been a challenge for the team. We continue to work with the developers to tailor the system to suit our needs.

In the next year we will be looking at outreach options, to improve accessibility and provide services in places our clients feel more comfortable.

FINANCIAL COUNSELLING - CLIENT DEMOGRAPHICS



FINANCIAL COUNSELLING - CLIENT DEMOGRAPHICS



CASE STUDIES

National Debt Helpline – Case Study

A woman contacted Care via the National Debt Helpline (NDH). She has experienced domestic violence, separated from her husband and has shared care of their child. Recently her hours had been reduced at work which exacerbated her already difficult financial situation. At the time of calling she was looking for another job and had applied for Centrelink. The financial counsellor first checked on the client's safety. She confirmed that she was safe.

Financial issues

A discussion ensued around debts, most of which were related to her house. Whilst the mortgage was up to date, she was in arrears with rates, body corporate fees and utility accounts. The client had already completed her budget based on her reduced income. She discussed this with the financial counsellor to make sure she had included everything.

Actions

The financial counsellor discussed:-

- the process of applying for financial hardship assistance with the ACT Revenue Department and information on the rates deferral system*
- contacting the Body Corporate to establish a payment arrangement for the arrears based on what she can afford. Information was provided around the possibility that they could take legal action to recover the money*
- The availability of an ActewAGL \$100 energy voucher. A referral was made to the Staying Connected Program. Information was also taken so the voucher could be applied to her account*
- the Safer Family Assistance Program offered by the ACT Government. The caller asked for the information on this program to be sent to her.*

The Financial Counsellor offered to email the client with website links to the above information along with any application forms and the client agreed. Following this the caller sent a reply email saying she had started to put things in place to address the debts and would call back if she required further assistance.



CASE STUDIES

Financial Abuse - Case Study

The client contacted Care and attended an appointment with a youth worker. She is a female client in her early 20's who has recently separated from her partner. She is estranged from her family so has no support outside of the youth worker.

During the relationship the client was working and her then partner on Centrelink Benefits. He controlled all household bills and she was expected to hand her wages to him. She was very young, was dependent on him and felt trapped in the relationship.

Once the abuse became physical she had left the relationship and has been couch surfing with no stable accommodation. At the time of contacting Care, she had lost her job and was on Newstart Allowance. She is actively looking for work, but her increased stress as a result of the debts and feeling of isolation has made this difficult.

Financial Issues

The client has been left with a lot of debt from the relationship including;

- *Rent arrears from a previous private rental*
- *Utility arrears from the previous rental*
- *Personal loan taken out on behalf of her ex-partner as he had a default listing on his credit file and was unable to access credit*
- *Mobile phone bill*

Some of the debts are in her name only and some in joint names but she no longer has any contact with her ex-partner.

Actions

- *Statement of financial position prepared*
- *Referred to bank re waiver under their financial abuse guidelines. They waived most of personal loan and set up small repayments for remainder*
- *Discussed housing options including access to rent assistance. Provided a support letter for priority housing through Housing ACT.*
- *Negotiated arrangement with ActewAGL Staying Connected Program. They reduced the outstanding arrears in consideration that the bill was in joint names and accepted small repayments*
- *Discussed accessing NILS once financial situation sorted and she is able to find accommodation*



COMMUNITY DEVELOPMENT & EDUCATION

Energy Financial Literacy Project

The 2018/2019 year saw the continuation of the very successful partnership between Care, ActewAGL and the ACT Government. We have continued to provide \$100 Energy Support Voucher's to people in the ACT experiencing energy bill stress. In addition many group and individual sessions have been delivered providing information on;

- Completing a budget to determine capacity to pay
- Checking eligibility for concessions
- Payment plans and how to set them up
- Accessing financial hardship
- Energy usage and savings tips
- Referrals to Actsmart energy audits or a financial counsellor where there is financial hardship

During the past year the team provided over 1021 utility vouchers, conducted 92 group sessions and provided 93 individual budget coaching sessions. The program has been incredibly successful with demand for Energy Support Vouchers and one to one budget coaching appointments increasing each year. We are very pleased that ActewAGL has committed to continued funding for the next 2 years. The priority will be to reach more people by holding Bring Your Bill's events in different community organisations across Canberra.

"I was really happy with the outcome of the meeting. I had thought I was getting the concession rebate for my pension concession card but when we spoke to the Staying Connected program at ActewAGL it turns out I was not. So I was so pleased to get a very notable credit on my account as it was back dated. I also got a 24% discount on my bill. Because of the changes we made in the budget coaching session I could comfortably use the air conditioning unit during the very hot period in the summer. I have used fans previously but it was so nice to use the air conditioning without having to worry about the impact on the bill as I was so much in credit due to the concession rebate being back dated." Budget Coaching Client, Kippax Uniting Church

Community workshops

Throughout this year Care has provided over 168 group financial capability workshops to a range of target groups which include:

- Students and young people
- Seniors
- Culturally and linguistically diverse communities
- Aboriginal and Torres Strait Islander communities
- Alcohol and other drug service users
- Mental health service users
- People experiencing domestic and family violence
- Low to moderate income families
- Carers
- Women detainees at the AMC

COMMUNITY DEVELOPMENT & EDUCATION

Community workshops (continued)

The focus for these sessions is to provide information on a range of topics relating to credit, debt, managing money and knowing your consumer rights and responsibilities. Some examples of workshops we have delivered to target audiences include:

- Humanitarian Settlement Program (HSP) clients settling in Canberra. This includes being a regular guest speaker at the orientation sessions organised by the Australian Red Cross as well as individual money management sessions for families, providing information on banking, budgeting, bill paying and credit related matters to assist in successful settlement in the ACT. Families are also given information on other support services they can access such as emergency relief, energy education, housing and legal services.
- Women detainees at the AMC. The workshop included gambling harm awareness content. Time was made available after the session for the women to chat individually to a financial counsellor. Some participants disclosed issues with gambling. We plan to attend again in the coming months.

"[The course was] great - no, a fantastic course!!! My knowledge on budgeting has tripled." Feedback from a course attendee

Work Development Order (WDO) Financial Capability Session

This year Care ran 4 group financial capability education sessions as part of our WDO program with 30 attendees over the course of the sessions. The aim was to assist the number of clients contacting Care's financial counselling service to establish a WDO who were in significant financial hardship and unable to make payments toward their fines. Topics covered included: Goal setting Money personalities and self-care Budgeting strategies Home Energy Efficiency Program Options for paying bills and managing debts Knowing your consumer rights The benefits of such a program are that participants are better informed about financial issues and at the same time able to reduce their fines by up to \$800. They were also provided with a \$100 Energy Support Voucher to reduce their electricity or gas bill.



COMMUNITY DEVELOPMENT & EDUCATION

Expos / Community Awareness Days

Throughout the year Care was a stallholder at over 20 community days/expos. Attendance at these events allows Care to reach members of the public that may not ordinarily access our service. Some of the events we attended included:

- Mental Health and Wellbeing Expo (a shared stall with the ACT Gambling and Racing Commission)
- Seniors Week Expo
- World Elder Abuse Awareness Day (Legal Aid lead event)
- O-Week for ANU and CIT (Reid, Bruce campuses)
- Homeless Connect Expo
- 11th Annual Co-morbidity Expo at the Australian Catholic University





CONSUMER LAW CENTRE

The Consumer Law Centre (CLC) provides critical legal services to low income and vulnerable ACT consumers in the areas of consumer credit and debt, telecommunications, utilities and general fair trading & consumer protection.

As well as working with consumers directly, the CLC works closely with Care's financial counsellors to identify and respond to consumer problems by providing secondary consultations and training.

The CLC is committed to identifying emerging systemic issues and seeks to effect change through law reform, systemic advocacy and lobbying of government.

The beginning of 2019 has been a period of change and transition for the CLC, marked by the departure of its Principal Lawyer, Elizabeth Samra, after over four years of devoted and productive service to the CLC and its clients. Agata Pukiewicz has returned to the CLC as the managing solicitor.

Some highlights from the year include:

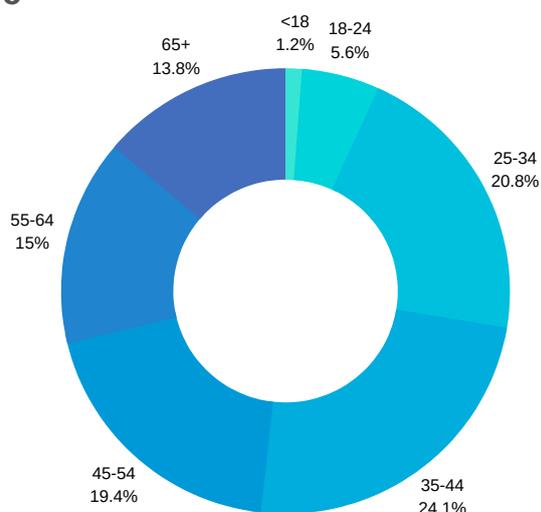
- The CLC recorded 280 client legal advices and finalised 42 casework matters.
- The estimated monetary saving to clients was \$247,734. Other, non-monetary benefits achieved for CLC clients during the current reporting period include: negotiated hardship, repayment arrangements and other settlements; halting legal action to allow negotiations to take place; advising clients against taking action that could expose them to a greater liability or debt; and other non-quantifiable outcomes.
- The CLC was able to increase its administrative staff to support 1.5 FTE lawyers, recruiting two CIT trained paralegal officers on short-term part-time contracts.
- The CLC continues to receive contribution from dedicated long-term volunteers, including seconded staff from the Australian Government Solicitor.
- The CLC has continues to contribute to training young lawyers in the ACT community through our relationship with the ANU College of Law, offering 12-week practical placements to ANU students enrolled in the course 'Public Interest Clinic'.

CONSUMER LAW CENTRE

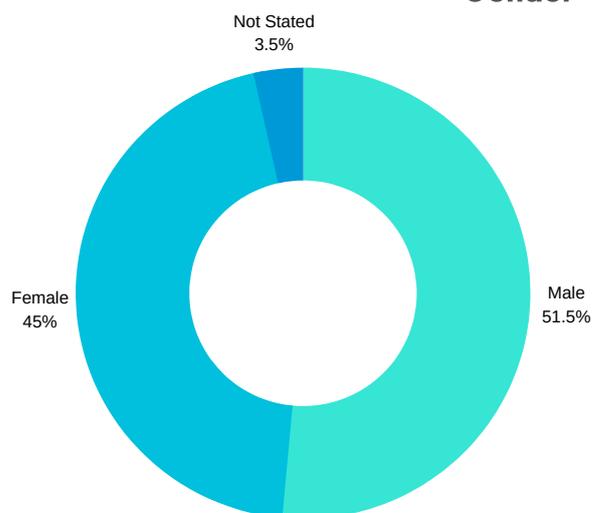
- The CLC established a new project, ReachOut, to offer education and training to service providers and to also offer legal advice and support to persons experiencing economic abuse as a result of domestic and family violence. Funding for a 12-month pilot program was provided by the ACT Government for the period ending 31 December 2019. Care engaged a part-time lawyer and support officer for the CLC ReachOut team in addition to services of its expert financial counselling and community education team. The set-up involved extensive planning and development, and ReachOut has been providing advice and casework assistance successfully through the second half of the year. At the time of writing of this report, 34 clients have been referred to our service for individual support.
- Successful advocacy regarding the Court Procedure Rules aimed at ensuring that a Court may not make an order that would reduce a debtor's earning to less than 80% of their net earnings.
- The CLC made two law reform submissions during this reporting period: to the Senate Legal and Constitutional Affairs Reference Committee Inquiry into the Resolution of disputes with Financial Service Providers within Justice System, and to the ASIC Responsible Lending Review of RG 209.
- The CLC has redesigned its logo to reflect its separate identity as a community legal centre, and in line with its obligations under the National Association of Community Legal Centres accreditation framework. The CLC remains a program under the auspices of Care Inc and the services work closely together.

DEMOGRAPHICS

Age

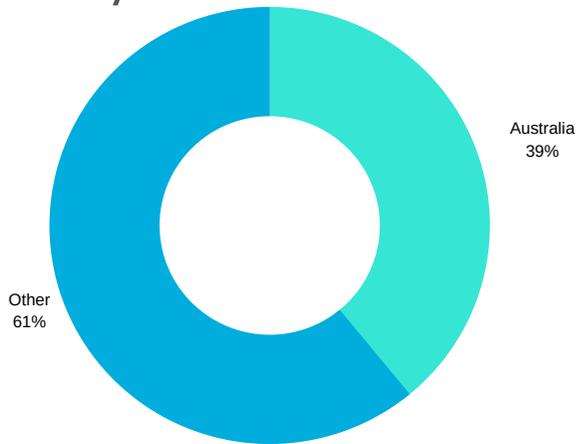


Gender

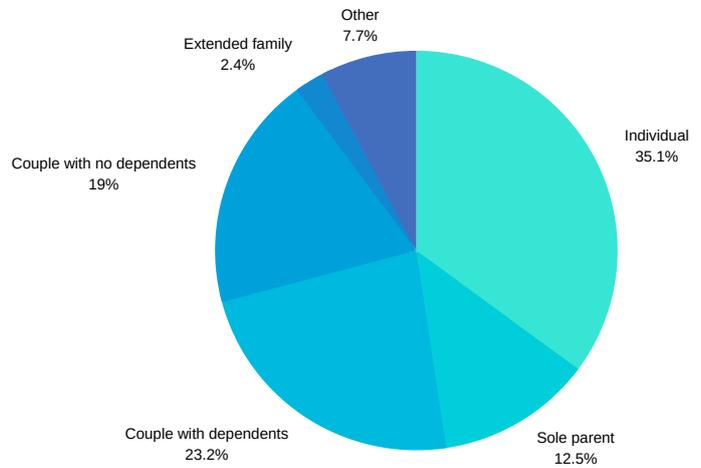


CONSUMER LAW CENTRE

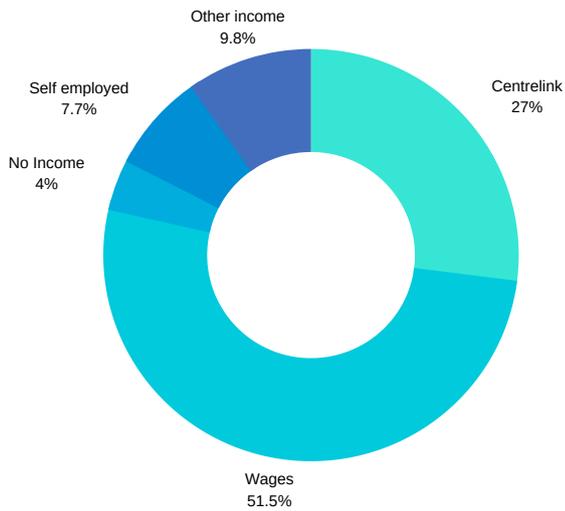
Country of Birth



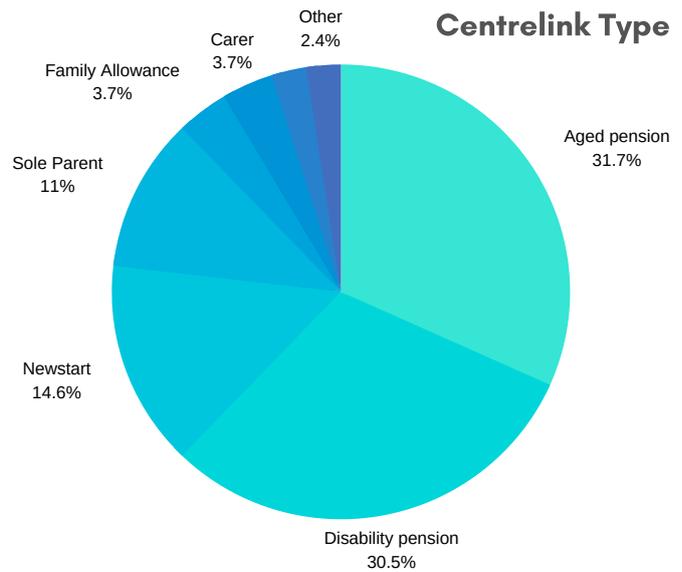
Household Type



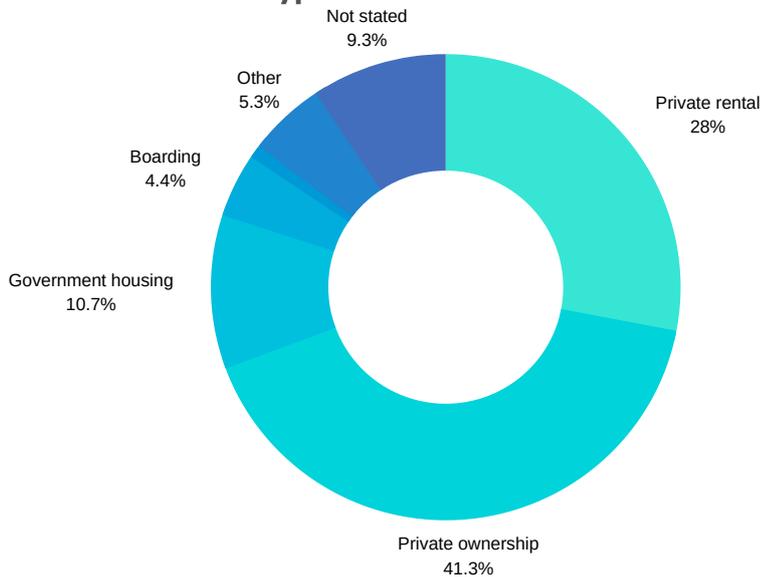
Income Source



Centrelink Type



Accommodation Type



MICROFINANCE



NATASHA GUNTHER



TRACEY ZOL

No interest loan programs increase social inclusion by providing low to moderate income earners fair access to goods and services they may otherwise be excluded from. Loans assist people who cannot access mainstream credit to build assets (household goods) or deal with emergencies such as car repairs. No interest loans also provide a safe and affordable alternative to high cost payday loans. Without microfinance people on low incomes, who are often also disadvantaged in other ways, either end up paying significantly more for essential household items leading to a debt spiral, or missing out entirely.

For over 20 years we have been delivering a no interest loans scheme (NILS) in the ACT under the auspice of Good Shepherd Microfinance (GSM). We have built our program from a very small pilot in 1997, operating one day per week, to a service that reaches across Canberra and into surrounding NSW. Since commencing with NILS, we have successfully managed over 2100 loans with a total value of almost \$2 Million.

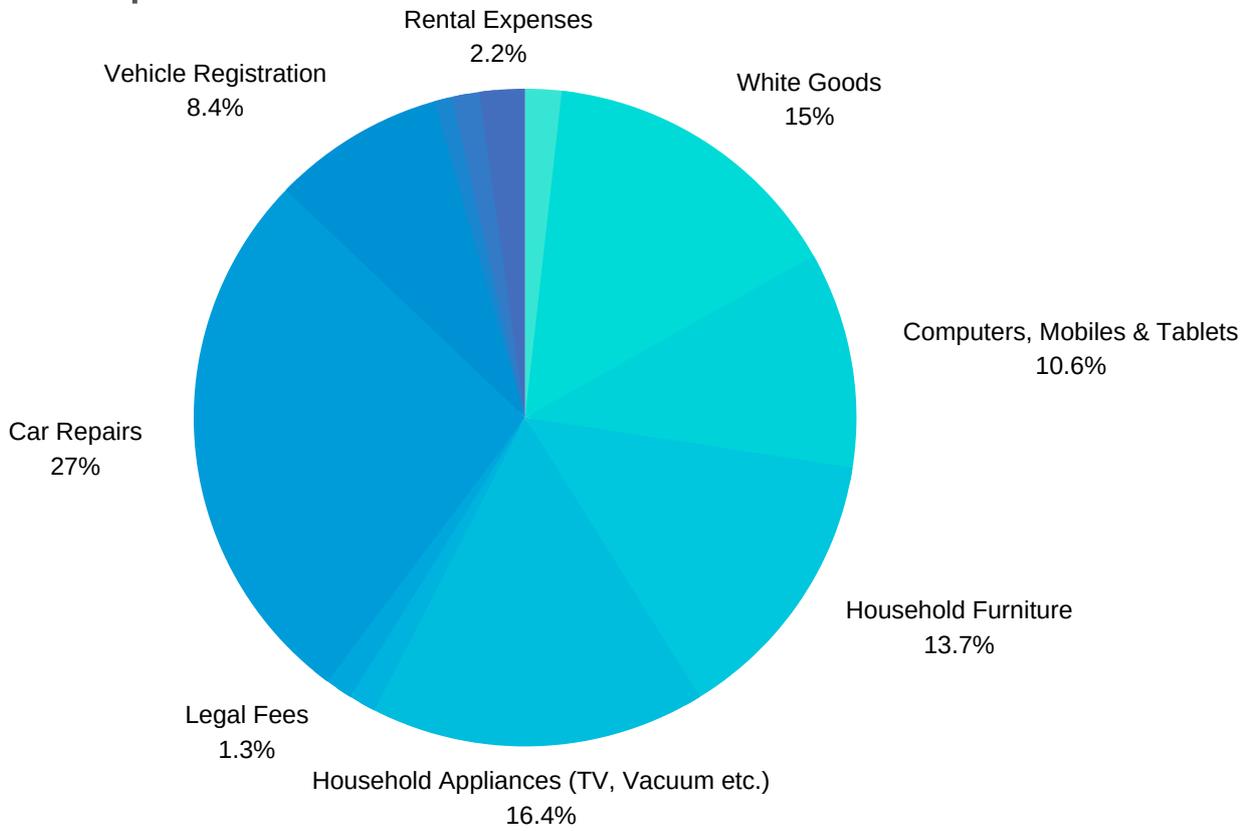
In 2017 with support from the local business and community, we assisted with the establishment of the Assistance Beyond Crisis (ABC) program providing loans to people impacted by domestic and family violence. Care's role is to manage the day to day operation of ABC including administering loans, monitoring payments and making referrals to our financial counselling or legal services where appropriate. In the two years to date we have provided 40 loans to women for a range of purposes such as legal fees, childcare fees, vehicle purchases, rental bonds and household furniture.

Our independent program – Trusty Loans by Care (TLC) has now been operational for 18 months. It was established to ensure ongoing support to people in Queanbeyan and surrounds. Funds from The Snow Foundation and Service One Alliance bank allows one day per week of service delivery in the Queanbeyan region. In the last 12 months we have approved 47 loans through our TLC program.

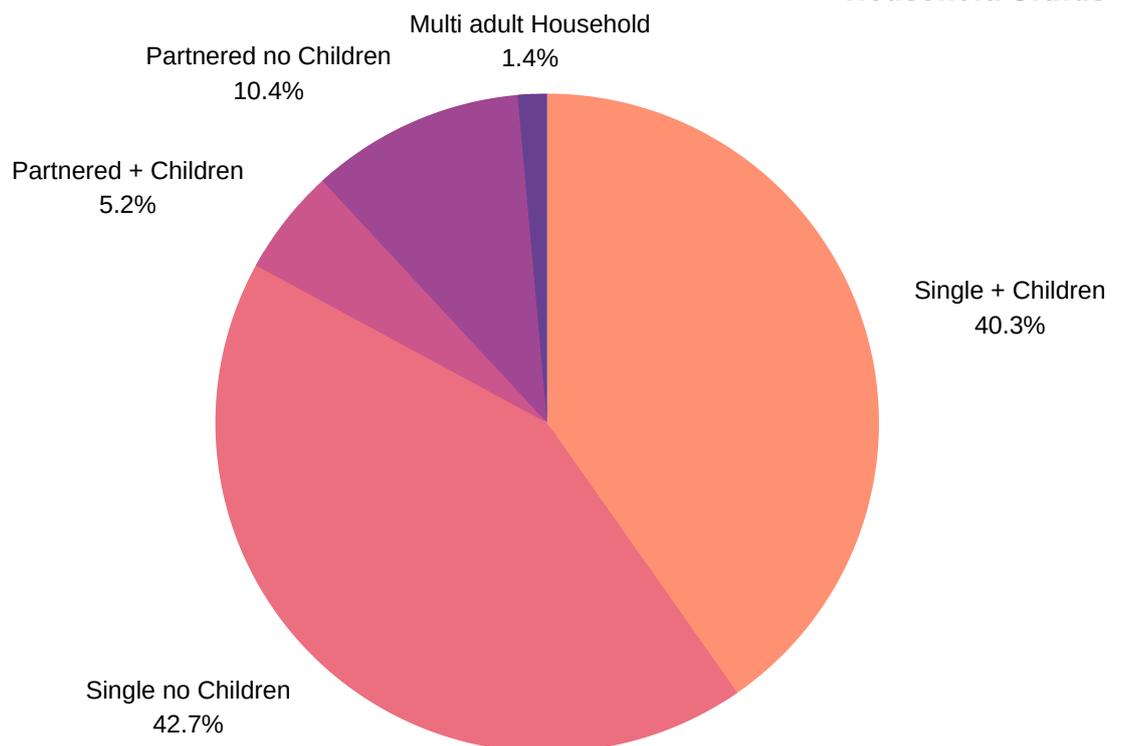
Our dedicated microfinance team continue to offer appointments in a range of locations to assist people with access to such a vital program.

MICROFINANCE LOAN STATISTICS

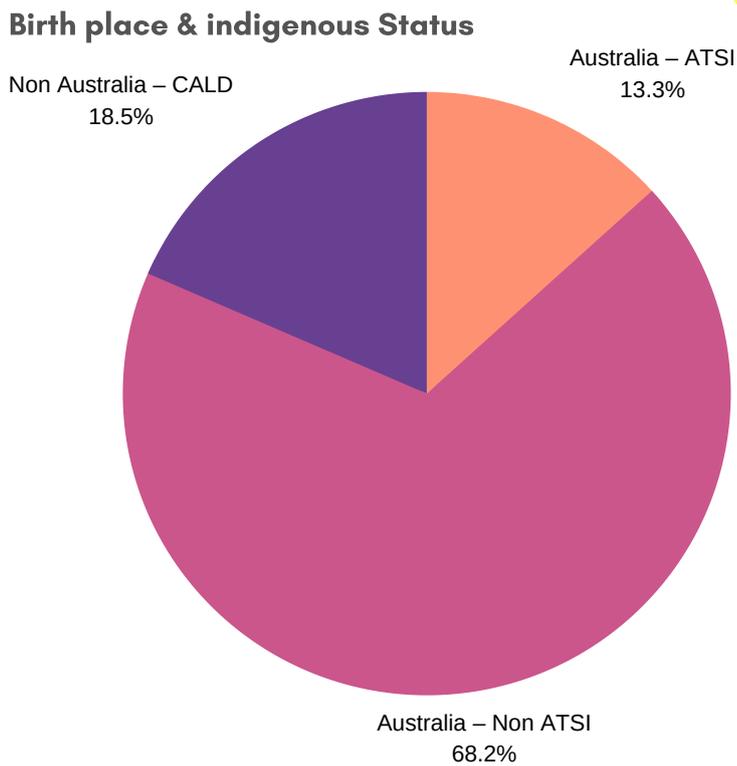
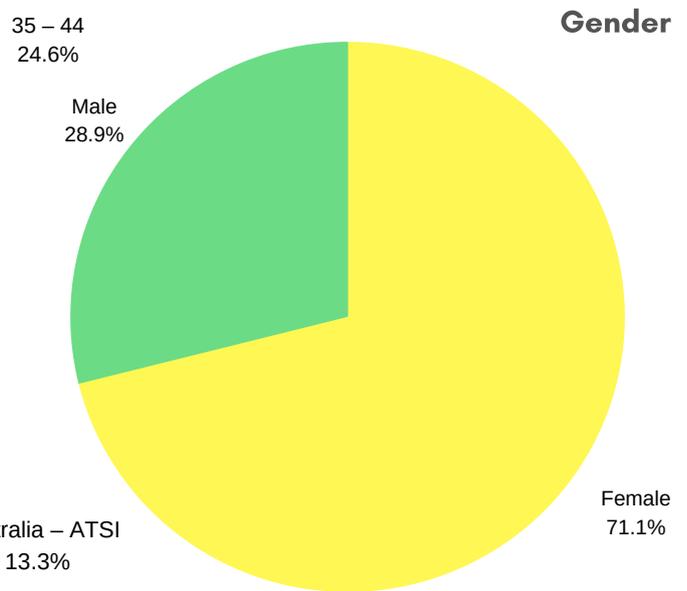
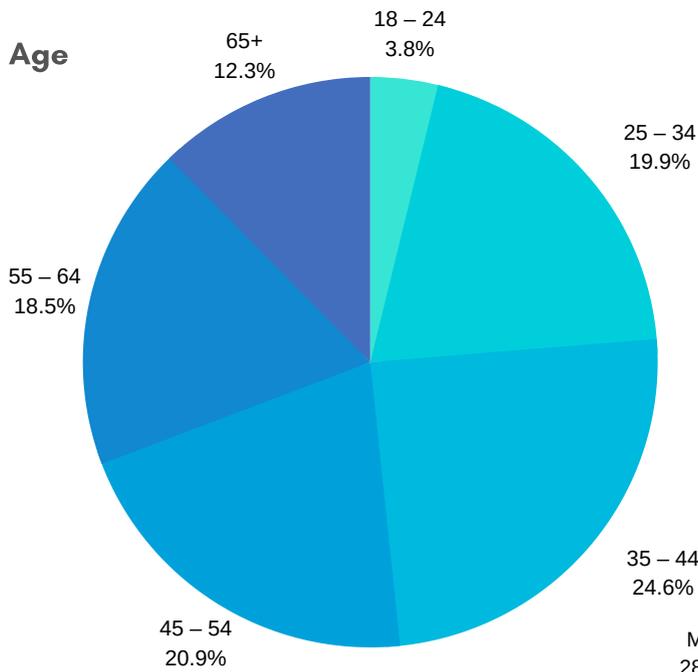
Loan Purpose



Household Status

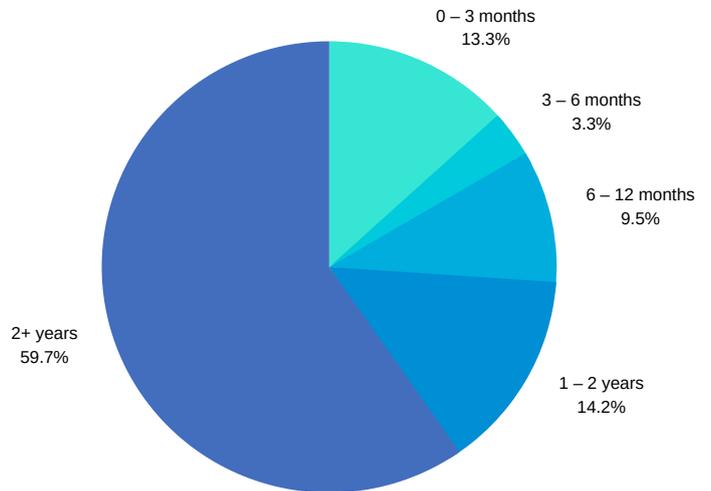


MICROFINANCE LOAN STATISTICS

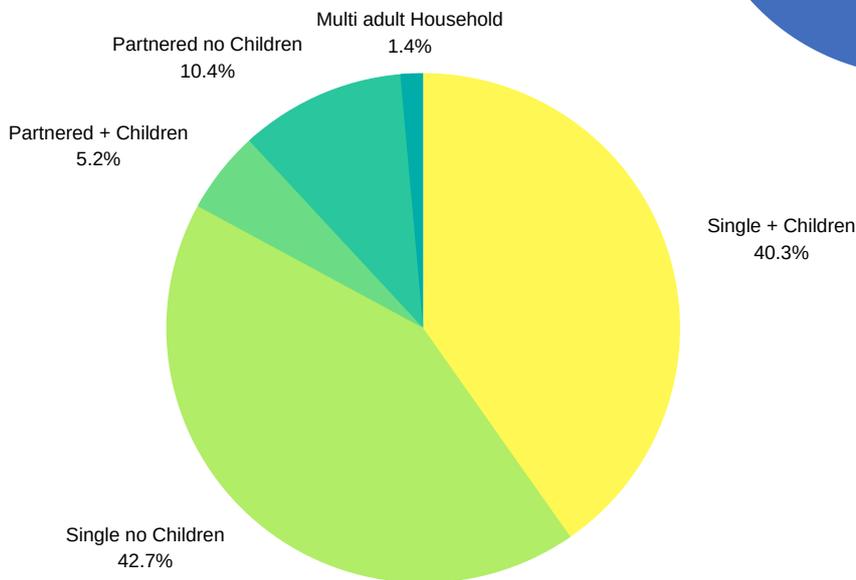


MICROFINANCE LOAN STATISTICS

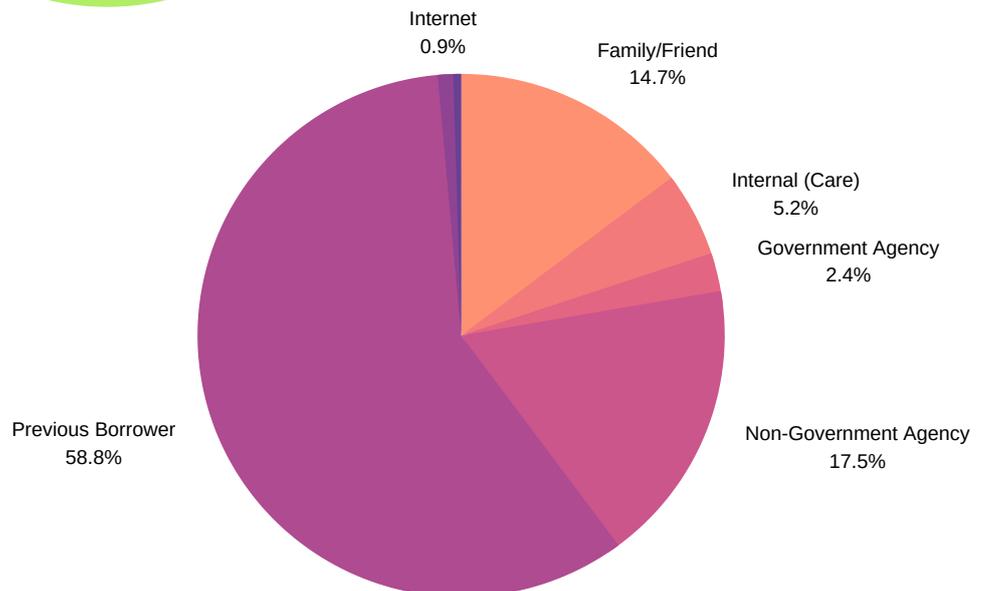
Length of Time at Current Housing



Household Status



Source of Referral



POLICY REPORT

Whilst Care's core business is working with clients in financial stress, we continue to be actively involved in policy to ensure that issues impacting our client group are raised at a local and national level.

At a national level, our most significant policy contribution related to The Royal Commission into the Banking and Financial Services System. This shone a spotlight on poor practices in banking, insurance, superannuation and financial advice, all of which impact our client group. The final report was released in February 2019. Commissioner Hayne commented in his report on the need for predictable and stable funding for financial counselling and community legal centres. Consequently, the Commonwealth Government commissioned an Independent Review of Financial Counselling in Australia, conducted by Louise Sylvan AM. We met with Ms. Sylvan and provided a written response to this very important review. At the time of writing, we are waiting for the report to be released and for the Commonwealth Government to respond to any recommendations.

Other submissions produced during this period include:

- Australian Securities and Investments Commission (ASIC) Consultation Paper: Credit Cards and Responsible lending assessments
- Senate Inquiry into Credit and Financial Services targeted at Australians at Risk of Financial Hardship
- ACT Magistrates Court Submission into Earnings Redirection Orders
- EEIS Priority household Targets
- Consultation on Proposed Australian Financial Complaints Authority (AFCA) Rules (joint with consumer advocates)
- ASIC Consultation Paper on Responsible Lending Conduct
- ACT government Health Prison Review
- Commonwealth Treasury's Review of External Dispute Resolution.
- Contribution to ACTCOSS' submission to the Independent Competition and Regulatory Commission (ICRC) Review of the Utility Consumer Code.

In addition to written submissions, we remain active in local and national forums. Regular forums include Joint Pathways, ATO individual Stewardship Group and the ACT Energy Policy Consortium. We have recently joined the ACT Justice Reform Group and wrote a submission into the recent AMC Healthy Prison Review. It is Care's view that financial capability skill building would provide practical benefits for detainees.

Carmel Franklin

Care Incorporated

ABN: 45 037 269 595

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

CARE INCORPORATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
CONTENTS

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARE INCORPORATED

Report on the Financial Report

I have audited the accompanying financial report of Care Incorporated (the Association), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Financial Report

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Associations Incorporation Act 1991* of the Australian Capital Territory, the *Australian Charities and Not-for-profits Commission Act 2012* and the constitution of the Association and for such internal control as the Board members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. I conducted the audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting my audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor's Opinion

In our opinion, the financial report of Care Incorporated is in accordance with the *Associations Incorporation Act 1991 of the Australian Capital Territory* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.



David Perceval
Fellow Chartered Accountant
ICAA Member #45109

August 2019
Canberra, ACT

CARE INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue from ordinary activities	2	1,857,945	1,952,464
Expenditure			
Depreciation expenses		(26,182)	(28,892)
Employee benefits		(1,510,683)	(1,478,628)
Occupancy costs		(108,197)	(108,371)
Other administrative expenses	3	<u>(122,033)</u>	<u>(135,406)</u>
Total Expenses		<u>(1,767,095)</u>	<u>(1,751,297)</u>
Current year (deficit) / surplus before income tax		<u>90,850</u>	<u>201,167</u>
Total comprehensive income for the year	10	<u>90,850</u>	<u>201,167</u>

CARE INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	862,939	758,227
Trade and other receivables	4	274,754	307,102
Other Current Assets	5	<u>32,555</u>	<u>10,878</u>
TOTAL CURRENT ASSETS		<u>1,170,247</u>	<u>1,076,207</u>
NON-CURRENT ASSETS			
Plant and equipment	6	<u>114,146</u>	<u>113,988</u>
TOTAL NON-CURRENT ASSETS		<u>114,146</u>	<u>113,988</u>
TOTAL ASSETS		<u>1,284,393</u>	<u>1,190,195</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	7	309,793	280,835
Provisions	8	<u>131,784</u>	<u>157,394</u>
TOTAL LIABILITIES		<u>441,577</u>	<u>438,229</u>
NET ASSETS		<u>842,816</u>	<u>751,966</u>
EQUITY			
Retained earnings	9	<u>842,816</u>	<u>751,966</u>
TOTAL EQUITY		<u>842,816</u>	<u>751,966</u>

CARE INCORPORATED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from grants and other		1,852,135	2,026,448
Interest received		5,810	7,364
Payments to suppliers and employees		(1,747,016)	(1,828,657)
Net cash inflow/(outflow) from operating activities		110,929	205,155
Increase in Investing Activities			
Purchase of plant and equipment		(26,340)	(15,716)
Net cash outflow from investing activities		(26,340)	(15,716)
Increase in Financing Activities			
Proceeds from Borrowings		(-)	26,742
Net cash outflow from financing activities		(-)	26,742
Net increase from cash or cash equivalents		84,589	216,181
Cash and cash equivalents at the beginning of the year		758,227	542,046
Cash and cash equivalents at the end of the financial year		862,939	758,227

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the *Associations Incorporation Act 1991* of the ACT and the *Australian Charities and Not-for-profits Commission Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial report of the Association was authorised for issue on the date of signing of the attached Committee's Report by the committee members.

Accounting Policies

(a) Income Tax

The Association is exempt from Income Tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

(b) Cash and Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, at banks and on deposit.

(c) Revenue

Government funding

Government operational grants and funded projects are brought to account as income in the year received or receivable to the extent of expenditure during the year on the purpose of the grant. Grant monies which have been received or are receivable but have not been expended at balance date, including interest thereon where required under the terms of the grant, are carried forward as unexpended grants (unearned revenue - current liability).

Fees for Services

Revenue from the rendering of services including services provided under ACT Government service purchase contracts is recognised upon the delivery of the service to the customer. Where amounts have been received in respect of ACT Government service purchase contracts, but the outputs and/or quantitative performance indicators have not been fully achieved, an amount equivalent to services unperformed at balance date is recognised as unearned revenue (liability).

Other income

All other sources of income are brought to account as income when the related goods or services have been provided and the income earned.

All revenue is stated net of the amount of goods and services tax (GST).

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(d) Plant and Equipment

Plant and equipment are carried at cost, less where applicable accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation Rate</u>
Furniture and Equipment	11.25% - 20%
Leasehold Improvements	10%

(e) Employee Benefits

Short-term employee benefits

Provision is made for the Association's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Association classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Association's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

The Association's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Retirement benefit obligations

All employees of the Association receive defined contribution superannuation entitlements, for which the Association pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Association's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Association's statement of financial position.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight-line basis over their estimated useful lives, where it is likely that the Association will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the year in which they are incurred.

(h) Impairment

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

(i) Comparative Information

The classification of comparative figures has been changed where the change improves the understandability of the financial information.

(j) Critical accounting estimates and judgements

The Committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(k) Key estimates – impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2019.

(l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

NOTE 2: REVENUE

	2019	2018
	\$	\$
Revenue		
Operating activities		
Services rendered:		
- Governmental operational funding	500,015	461,661
- Government funded projects	793,341	1,067,964
- Project income	537,484	213,927
	1,830,840	1,828,810
Non-operating activities		
Interest	5,810	7,364
Donations	4,395	94,348
Other income	16,900	21,942
	27,105	123,654
Total Revenue	1,857,945	1,952,464

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2019 **2018**
\$ **\$**

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

CARE general cheque account	12,181	52,791
CARE flexi account	540,795	301,091
CARE cash reserve account	22,412	22,316
NILS cash management account	1,686	1,682
NILS cheque account	21,323	7,703
Service One corporate	2,728	7,349
Service One high interest	144,922	236,737
Service One loan repayment	1,268	5,884
Service One TLC	19,002	27,912
FaHCSIA cash reserve	16,917	16,844
Term Deposits	79,455	77,668
Petty Cash	250	250
Total Cash	<u>862,939</u>	<u>758,227</u>

NOTE 4: RECEIVABLES

CURRENT

Trade Debtors	44,323	48,603
Loan Debtors	232,739	235,434
Less allowance for impairment of debtors	(3,808)	(9,422)
Other debtors	1,500	32,487
Total Other Assets	<u>274,754</u>	<u>307,102</u>

NOTE 5: OTHER ASSETS

CURRENT

Prepayment	12,557	10,878
IT System Development	19,998	-
Total Other Assets	<u>32,555</u>	<u>10,878</u>

NOTE 6: PLANT AND EQUIPMENT

Furniture and Equipment at Cost	182,090	174,250
Less accumulated depreciation	<u>(134,807)</u>	<u>(116,146)</u>
	47,283	58,104
Leasehold improvements at Cost	203,381	184,881
Less accumulated depreciation	<u>(136,518)</u>	<u>(128,997)</u>
	66,863	55,884
Total plant and equipment	<u>114,146</u>	<u>113,988</u>

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 7: PAYABLES		
CURRENT		
Trade creditors and accruals	24,502	44,301
Income in Advance	58,000	-
Employee benefits payable	84,533	76,462
NAB Overdraft	105,728	139,238
Net GST Payable	37,030	20,834
Total Payables	309,793	280,835
NOTE 8: PROVISIONS - CURRENT		
Annual Leave	84,162	80,184
Long Service Leave	47,622	51,825
Total Provisions	131,784	157,394
NOTE 9: RETAINED SURPLUS		
Operating Surplus	90,850	201,167
Closing Retained Surplus 30 June	751,966	550,799
Retained Surplus 30 June	842,816	751,966

NOTE 10: RELATED PARTY TRANSACTIONS

As at balance date the Association had no known related party transactions. The committee at any time during the financial year was:

Andrew Freer Chairperson
Michael Miller Secretary
Ian McAuley. Treasurer (resigned April 2019)
Nick Seddon
Christian Mikula
Malise Arnstein
Elizabeth Grant (resigned May 2019)
Liz Howarth (resigned August 2018)
Phillipa Prothero (appointed November 2018)
Duncan Buchanan (appointed June 2019)

No committee member received any remuneration for acting as a Committee Member during the year. The Centre's Director and staff representatives appointed to the Committee in accordance with the Constitution are however remunerated for their employment by the Association.

NOTE 11: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year to the date of this report that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at balance date the Association has no known contingent liabilities or contingent assets. The Association pays a very low professional indemnity insurance premium for the Consumer Law Centre's operations by being a part of a joint scheme through the National Association of Community Legal Centres. One of the trade-offs for the extremely cost-effective policy is that there is a \$10,000 excess per claim.

NOTE 13: COMMITMENTS

CARE has non-cancellable operating leases for 2 photocopiers (ceasing on 30 June 2020 and 23 November 2020) and a rental agreement for additional office space for 3 years (ceasing 30 November 2020). These are not capitalised in the financial statements

	2019	2018
Payables		
not later than 1 year	80,040	37,968
later than 1 year but less than 5 years	106,940	5,730
Total Commitments	186,980	43,698

NOTE 14: ECONOMIC DEPENDENCY

The continued operation of the Association is reliant on the current and future financial support provided by the ACT Community Services Directorate; ACT Justice and Community Safety Directorate; and the Commonwealth Department of Social Services.

The current funding agreement periods as at 30 June 2019 are:

ACT Financial Counselling Service

1 July 2019- 30 June 2021: ACT Community Services Directorate

No Interest Loan Program -Community Development Program

1 July 2019 - 30 June 2021: ACT Community Services Directorate

Commonwealth Financial Counselling and Financial Capability and National Debt Helpline

1 July 2019- 30 June 2023: Department of Social Services

Financial Counselling for Problem Gambling

1 July 2019 - 30 June 2020: Department of Social Services

1 July 2019 – 30 June 2020 Relationships Australia

Energy Support Program

1 July 2019-30 June 2021: ActewAGL

CARE INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: COMMITMENTS RECEIVABLE

	2019	2018
Income Commitments Receivable (net of GST)		
not later than 1 year	1,328,802	1,349,286
later than 1 year but less than 5 years	1,926,126	1,389,058
Total Commitments	3,254,928	2,738,344

Commitments receivable have been derived from the grant contracts signed by the Association with Relationships Australia, Commonwealth Department of Social Services, the ACT Justice and Community Safety Directorate and the ACT Community Services Directorate. The amounts receivable are also subject to an uplift factor that reflects a CPI increase and the Association is notified of the relevant increase by way of a contract variation on an annual basis. The amounts reflected in the current financial statements are based on the most recent contract variations

NOTE 16: RENT RECEIVED FREE OF CHARGE

The organisation receives its Consumer Law Centre office in Akuna Street free of charge. This is not reflected in the financial statements, as the organisation has not undertaken a valuation of the premises it receives as rent free.

NOTE 17: ASSOCIATION DETAILS

The Association operates solely within the Australian Capital Territory and surrounding NSW to support low income members of the community. The Association is incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991* (Association No. A01128).

The registered office and principal place of business of the Association is:
 Shop 16, 1st Floor
 Waldorf Apartments
 2 Akuna Street, Canberra City ACT

NOTE 18: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Association.